

SMARTPAY MEETING

April 4, 2000

On April 4, 2000 the Smartpay Meeting, chaired by Janette Labbee (CBC), was held in HCHB Rm B841. Participants included representatives from BEA, ESA, EDA, ITA, NIST, NOAA, BXA, CENSUS, MBDA, NTIS, PTO, OEBAM, OFM, and CBC. Subjects under discussion were DOC internal issues relevant to GTA, Individually billed travel, CitiDirect, update on Travel and Purchase cards, and Fleet on-line system (Fleet Commander).

Individually Billed Travel

Over the last eight months, the Smartpay Team has been actively working with CitiBank to resolve the issue of delinquencies pertinent to Individually Billed Travel, trying to help CitiBank to better understand how the Government payment processes work, when the Prompt Payment clock starts, etc.

All GSA vendors, including Citibank, are on commercial platforms that are on a revolving basis, rather than a clear cut-off basis that the government is used to seeing.

Like many other government agencies, Commerce's delinquency rate is very high. Census has a large volume of delinquencies. Therefore, there is a need to identify why there is delinquency. There are several reasons:

- employees did not file their vouchers after the travels
- employees did file their vouchers, received reimbursements, but failed to pay Citibank
- employees used their charge cards for personal use, and failed to pay back

The Delinquency rate is now a government-wide issue. GSA will come up with a report card on agencies' performance with regard to charge card payments.

Under the current policy, managers are supposed to take appropriate actions. However, many managers did not take appropriate actions. It was suggested during the meeting that pressure should be made on managers to resolve the delinquency issue.

Misuse/delinquency of travel cards

There was some discussion on who makes the call to cut the traveler off particularly if it is a senior manager; who enforces it. The role of supervisory/OHRM was briefly mentioned but not explored in detail.

Sandy Kazimer (OEBAM) and Larry Tyler (OFM) are working with the Office of Human Resources on a new department-wide policy regarding the employees' failure to pay a just financial obligation in a proper and timely manner. There will be a mass e-mail to all Commerce employees notifying them of the

new travel regulations and sanctions for delinquencies. Sanctions range from letter of reprimand to removal from office. A letter of reprimand will be kept for two (2) years in the Official Personal File (OPF). It is the employee's responsibility to file the travel voucher within five (5) days after the return and pay as soon as he/she receives the bill. It was further suggested that upon receiving a travel card, employees should be required to sign and return a statement ensuring they understand the liability they are assuming. Maintaining this information on a website was also suggested.

Representative from ITA suggested that Split Payment be applied to resolve the issue of delinquencies. Under the Split Payment method, reimbursements for expenses related to charge cards will go directly (through ACH) to the bank, and reimbursements for out-of-pocket expenses will go to the individual. For certain uses, it was suggested a debit card might be an option.

Responding to the suggestion that the Government pays the bank instead of reimbursing the employees, Larry Tyler said "we do not want to give Citibank the impression that we are liable for the individuals' obligations".

GTA B Corporate cards

The Commerce Bankcard Center (CBC) has received the layout for the travel file. On the 22nd of each month, CBC received GTA data. The reliability of the data received is still questionable. Janette provided the layout for travel/finance attendees.

CitiDirect

Janette Labbee was disappointed with CitiDirect. According to Janette, if one looks for an easy, user-friendly software with many more features, then it is not the case. The GSA TAG team, of which Janette is a member, met 3 or 4 times to review and evaluate CitiDirect. There was a great deal of frustration with this software.

The following is an example of one of the many problems to be fixed. It is not possible to change the status of an employee, cancel a card, put on hold status, or reactivate a card.

The TAG team came up with a list of prioritized 18 items. Some of the priorities included:

- read-only capability for finance offices
- ability to create ad-hoc reports
- maintenance log
- enhanced search capability
- change cardholder status
- cycle and volume limit changes

The CitiDirect report application was bad. There were 54 issues involving this application. \

Consideration

In March 1999, a survey was conducted on consideration for time, efforts, administrative costs spent as a result of the contractor's inability to fulfill the requirements set forth in the Commerce Task Order. The result was forwarded to GSA. However, GSA did not pursue the issue.

Fleet cards

There was no problem with fleet card acceptance. However, NOAA did have some problems with getting Voyager paid. The issue has been resolved. Current regulations limit the use of fleet cards to unleaded gas, self-serve, and diesel. There are no such limits on the charge cards to prevent spending on premium gas or full-serve services.

The Fleet Commander software, at least based on an observed demonstration, provides more information than needed. The system generates more reports than the fleet card coordinator has employees to read them. Four (4) employees put in a request for access to Fleet Commander in January 2000 and were promised that they will get it by February 24, 2000. So far, they did not hear anything from Citibank.

Purchase Cards

The Purchase Cards Program was bombarded with IG reviews. In preparation for these reviews, the CBC has generated a report by MCC codes identifying certain specific items such as transactions on hotel, motel, restaurant, rental car, personal services, entertainment, etc.

The CBC took a sampling of 10% of the line items and found the following major problems: use of purchase cards for travel using wrong card for hotel, restaurant, conference room, etc. paying hotel for group training. Upon CBC follow up, some cardholders said they mistakenly used their purchase card rather than their travel card for travel related items. [NOTE: In the new CAM Chapter, there is no longer a DoC level restriction for buying group training with the purchase card. This was removed after discussions with OHRM] AOPCs/HCOs are encouraged to request/use these types of reports, to be run quarterly by CBC, to ensure cardholders are purchasing appropriately.

Also, the concept of one integrated or consolidated card is not a good one under present circumstances. For example, the system is not refined enough to recognize the difference between the rental of a hotel room for an overnight stay (lodging) and the rental of a hotel conference room for a meeting.

GSA just amended the Federal Travel Regulation (in January 2000) to allow agencies to provide **Alight refreshments** to certain agency employees attending official conferences.

(<http://policyworks.gov/org/main/mt/homepage/mt/homepage/mtt/FAQCONFERENCE.HTML>)

Such expenses are allowable when 50% attendees are on Temporary Duty status (away from duty location). There was some discussion on whether this new ruling has been addressed in appropriations law literature.

Convenience Checks & Cash

The new CAM Chapter will allow the use of convenience checks for purchases in those rare cases when the vendor will not take the purchase card. Convenience checks that are used for other than purchases (e.g., impress fund replacement) will be handled in accordance with OFM's guidance.

The convenience checks program had success, especially with NOAA, Census, and ITA. NOAA replaced all impress funds with convenience checks. In FY 1999, 772K in convenience checks were written.

However, Treasury does not recognize convenience checks as EFT payments. This creates some challenges at DOC OFM when writing financial policy.

Cash advances are also part of the value-added options available under DoC's Citibank agreement for purchase card services. However, that feature is blocked and available only in the most extenuating circumstances.

Debit Cards

NIST is looking at Treasury's Debit Card program. The program has the following advantages:

- ability to transfer money from the debit card to a bank account.
- replacement of the impress funds.
- very low cost: 69c per transaction
- debit cards can be used for cash awards
- no cash disbursed when the card is activated.

However, from the accounting point of view, there is a glitch with activation. No advance is recorded when the card is activated. Payments are only hit when the card is used.

Training

CBC is planning for a September issuance of a web-based Training Product for purchase card users. The product might also consist of several modules for travel, purchase, and fleet.

Increasing Use of Purchase Card

We encourage HCOs to expand the use of the card for their own acquisition staff. Bill Becker (CASC HCO) recently indicated he would be expanding its use among his own employees.

Citibank Presentation - Cynthia Reed, Phillip Glickman and Melanie Sisler

Following the Smartpay Team meeting on DOC internal issues, Citibank came in and presented an overview of their program performance and accomplishments.

DoC Expenditures this FY to date:

\$ 71 M Purchase (Up 15% over same period in FY 99)

\$ 16 M GTA Travel (Up 40% over same period in FY 99)

\$ 22 M Individually Billed Travel (Up 30% over same period in FY 99)

\$ 140K Fleet Fuel (Quarter to Date) v. 570K last FY

\$ 22K Fleet Maint. (Quarter to Date) v. \$81K last FY

Citibank provided an update on the Best Practice project they are working jointly with NOAA. They met with NOAA CASC procurement and finance personnel to discuss various tasks associated with the charge card program. The resulting report will provide recommendations for program management and support. The report is scheduled for release on April 15, 2000. Citibank is willing to share the information as well as work with any interested party toward process improvements and increasing opportunities for card usage.

Citibank claimed to have lost millions of dollars on individually billed travels due to write-offs. According to banking regulation, any debts that are 180 day past due must be written off. Citibank has been working closely with OEBAM and OFM to resolve the delinquency issue. They have scheduled a meeting with the Deputy CFO and Director for Financial Management, James Taylor on April 19, 2000.

Citibank wants to demo its ACITIMART® web-based e-mall, which it claims will simplify and centralize all purchases. Developed for Navy, Citibank's largest customer in partnership with Efed.com.